

VZCZCXRO6496
OO RUEHPW
DE RUEHNO #0321/01 2491722
ZNY CCCCC ZZH
O 051722Z SEP 08
FM USMISSION USNATO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2223
INFO RUCNAFG/AFGHANISTAN COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUEHZG/NATO EU COLLECTIVE PRIORITY
RUEHBUL/AMEMBASSY KABUL PRIORITY 1016
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0802
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0008
RUEHNA/DEA HQS WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 USNATO 000321

SENSITIVE
SIPDIS

E.O. 12958: DECL: 09/04/2018
TAGS: [ECON](#) [MARR](#) [NATO](#) [PGOV](#) [PREL](#) [SNAR](#) [UN](#) [AF](#)
SUBJECT: UNODC CHIEF COSTA BRIEFS THE NAC ON AFGHANISTAN
OPIUM SURVEY

Classified By: A/DCM
Walter S. Reid for Reasons 1.4(B) AND (D).

11. (U) SUMMARY: UN Under-Secretary-General Antonio Costa, Executive Director of the UN Office on Drugs and Crime (UNODC), briefed NATO Allies, partners, EU representatives and the World Bank on September 3 on UNODC's 2008 Afghanistan Opium Survey report. Costa reported that poppy cultivation decreased by 19 percent, with a 6 percent drop in production from last year. Additionally, 18 of 34 provinces are now poppy free, 5 more than in 2007. Costa stated that there was a definite link between terrorism and poppy growth, and noted that the 7 provinces in the south and southwest where the insurgency is strongest also produced 98 percent of the poppy crop. Costa made several recommendations to reduce the opium trade and answered a variety of questions from the Council regarding what ISAF and the international community can do to help in this area. END SUMMARY.

CULTIVATION DOWN 19 PERCENT

12. (U) In a September 3 briefing to NATO PermReps, ISAF non-NATO troop contributing nations, and representatives of the EU Commission, EU Council and World Bank Costa said that, overall, there were significant improvements in the opium situation in Afghanistan. Poppy cultivation decreased by 19 percent, which brought it below 2006 levels. The tonnage of opium produced dropped only 6 percent over last year, however, due to greater yields per hectare. Additionally, 18 of 34 provinces are now poppy free, five more than in 2007. Notably, Nangarhar, previously the second highest opium producing province, is poppy free for the first time in the country's modern history.

13. (U) Two main reasons were given for the decline in poppy cultivation: pressure from the government and weather. The overwhelming reason for the reduction was pressure by Governors, shurras and local government on farmers not to plant poppy. This pressure was seen as a major motivator and area to promote in the future. A perceptible, but insignificant, factor was the very cold winter and dry spring, which led to crop reduction or failure in some areas.

BUT, NOT THERE YET...ERADICATION SHOWN AS UNSUCCESSFUL

14. (U) The UNODC chief specifically highlighted the direct correlation between insecurity and poppy cultivation. He stated that 98 percent of the poppy crop is produced in the five southern and two central provinces where the insurgency

is strongest. Additionally, the total production of 8,000 tons of opium is twice the average yearly worldwide demand. The surplus opium is being stored around Afghanistan and presents other specific problems, such as a buffer for bad years or a way to influence the market price of opium. Costa also highlighted Afghanistan's open borders, noting the very active trade from Iran and the many markets along the Afghanistan-Pakistan border.

15. (U) The poppy eradication program was highlighted as not effective, with only 3.4 percent of the crop eradicated. As a comparison, 67 percent of the cocoa cultivation is eradicated in Columbia. Costa argued that because the farmers have almost no fear their crops will be eradicated, the threat of eradication does not serve as a deterrent to poppy cultivation.

RUMOR OF TALIBAN OPIUM BAN CONCERNS UNODC

16. (U) USG Costa relayed that very recently UNODC surveyors in Afghanistan heard rumors that the Taliban were planning to implement a ban on poppy cultivation. This concerned the director for several reasons:

- It would be a public relations coup for the Taliban, especially if they encouraged farmers to grow wheat instead to alleviate food shortages and high prices;
- It could create a shortage in the opium trade, leading to a sell-off of surplus supplies and raising profits for the insurgents; and

USNATO 00000321 002 OF 003

- It may reverse the public view of the insurgents as drug criminals

UNODC RECOMMENDATIONS TO CUT OPIUM TRADE

17. (U) Costa provided several recommendations for the Afghan government, ISAF, and the rest of the international community to cut down on opium production and trade:

- Destroy high value targets such as labs, markets, convoys;
- Seize convoys of precursors chemicals;
- List major traffickers under the provisions of UNSCRs 1735 and 1822 (he said currently no traffickers had been listed);
- Make ANA and ANP counter-narcotics operations more aggressive;
- Regain control province by province, particularly in the west and center;
- Enhance border security with Iran and Pakistan; and
- Invest in the development of opium free provinces so they see the benefits of not producing poppies.

"FIGHTING OPIUM TRAFFICKING IS FIGHTING TERRORISM"

18. (U) Afghanistan Ambassador Nezam stressed that the success was primarily due to governors and local government actions. He also remarked that there is a definite link between poppy growth and terrorism and said, "fighting opium trafficking is fighting terrorism." The Ambassador highlighted some Afghan improvements including a National Anti-Drug Strategy, Counter-narcotics Trust Fund, a 3,700 person Counter-narcotics Brigade, enhanced legal capacity to prosecute narcotics cases, and a Counter-narcotics Task Force. He also noted that of the \$70 billion in the drug trafficking trade, only \$700 million goes to farmers. Finally, he stated that Afghanistan will continue to rely on the international community for support in the future.

(U) Tajikistan: The Tajik representative stated the Taliban

provides organization and personnel to run the poppy trade. He also noted that the drug trade is a complex system involving political, economic and social factors and that the Afghan Government must "shape" the population to move away from poppy cultivation and trade.

(U) United Kingdom: Ambassador Eldon asked for Costa's views on what nations can do in respect to high value targets, markets, convoys and labs. He also wondered what ordinary Afghans think of drug traffickers, to which the answer was that they are seen in a negative way and most Afghans get upset when their neighbors begin to profit from the trade. Also, he saw being anti-drug as a "vote getter" for politicians. NOTE: (C) UK Del NATO says HMG not convinced of UNODC assertion of large opium surplus in storage. END NOTE

(SBU) The Japanese representative provided information on USD 5 million the Government of Japan dedicated to fighting drugs and funding reconstruction.

(U) Among those nations skeptical of a greater ISAF role in counter-narcotics, German Ambassador Brandenburg asked Costa's opinion on effective measures to support local and Afghan national government counter-narcotic efforts and asked for more details on what the Afghan government is doing to improve its counter-narcotics capabilities. The Dutch DCM asked about further ISAF efforts against insurgent trafficking and whether this would be a military or law enforcement matter. He also asked about the prosecution capacity to absorb any new detained traffickers. He asked Costa's views on whether the international community should increase capacity building and where should it concentrate these efforts?

(U) The Australian representative asked if UNODC had any reaction to the rumor of the Taliban opium ban. Costa answered that they were working on it, but it was a very new development and a very tricky point on which they welcomed suggestions.

(SBU) Russia: Ambassador Rogozin was present, but did not

USNATO 00000321 003 OF 003

intervene.

(U) Costa's Answers: In response to other questions from PermReps on the cause of the cultivation decline, Costa noted that President Karzai had put tremendous pressure on Governors after the 2007 UNODC report established a Good Performance Fund for poppy-free provinces. He also continued to acknowledge the need for support from the shurras and local mullas. On the opium economy, Costa noted that opium accounted for USD 2.3-2.5 billion of the USD 9.5 billion GDP, and that despite a USD 3 billion negative trade balance, the currency remains strong. This suggests that the drug trade is fueling the Afghan economy. In regards to what more the international community can do, Costa noted that PRTs make a unique positive impression and that World Bank engagement would definitely help. Costa noted that worldwide demand for opium is slowly decreasing due to an increase in psychoactive drugs, but remains significant. He noted that the link between organized crime and trafficking is clear and that in the some southern provinces, organized crime is stronger than the insurgency.

19. (C) COMMENT: UN Under-Secretary-General Costa's briefing was well supported and well received by the Allies, partners and other organizations in attendance. This briefing comes at a time when the Allies are waiting for SACEUR military advice on expanding the counter-narcotics role for ISAF. The information in this presentation and recommendations by the UNODC Executive Director may help provide justification for SACEUR and COMISAF's requests. END COMMENT.
WEINROD